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Intriguing Tale Of Oil Tycoon's Machinations

A little-noticed item in the financial pages recently reported the purchase of Tom Pappas' oil company, Esso Pappas, by the Greek government. There's a fascinating story behind the \$15 million deal.

Pappas was a major fund-raiser and contributor for the 1968 campaign of Richard M. Nixon and his running mate, Spiro T. Agnew, who was to become the highest elected official of Greek American background. The Esso works in Greece was just one of the multimillionaire's holdings, which also included shipping and soft drink companies.

The Pappas enterprises were alleged to be fronts for CIA operations in Greece when the military junta was in power. More serious were charges that CIA funds found their way through Pappas back to the United States into the Nixon-Agnew campaign fund. If Nixon got his hands on U.S. Treasury money indirectly through the CIA, it is a scandal of first magnitude.

An investigation into the Nixon-Pappas-CIA connection was begun by the Senate Intelligence Committee in 1975. But it was dropped at

the personal request of Henry A. Kissinger, then secretary of state.

The money trail led from the CIA to its Greek counterpart, the KYP, then to Pappas and back to the United States and into the Nixon-Agnew campaign. Pappas vehemently denied the charges, which had come from Elias Demetracopoulos, a respected Greek journalist who had fled his homeland after the junta took over in 1967.

A few weeks before the 1968 election, Demetracopoulos took his charges to Lawrence O'Brien, then chairman of the Democratic National Committee. O'Brien issued a press release demanding that Nixon and Agnew explain their relationship to Pappas, but it drew little attention in the final days of the campaign.

It is conceivable that if the truth about Nixon's secret funding by the CIA had come out he might have lost the extremely close election to Hubert H. Humphrey. As things turned out, though, the Greek exile leader's charges may have played an unwitting part in Nixon's ultimate downfall. Here's how:

In 1971 Demetracopoulos laid his explosive charges before a House Foreign Affairs subcommittee, and was asked to submit details in a memorandum. Before he could do so, Nixon's longtime adviser, Murray Chotiner, told Demetracopoulos: "Lay off Pappas. It's not smart pol-

itics. You know Tom Pappas is a friend of the president."

Then Attorney General John N. Mitchell got into the act. At a party he confronted a Republican friend of the Greek journalist, Louise Gora, then ambassador to UNESCO. She wrote Demetracopoulos that Mitchell "is furious at you—and your testimony against Pappas. He kept threatening to have you deported."

Demetracopoulos submitted his memo to the House subcommittee anyway, disclosing that he had documentary evidence to support his charges. The White House was obviously worried about Demetracopoulos' evidence—and, according to competent sources, that may have been one reason the Watergate burglary was authorized. Nixon wanted to know what ammunition Demetracopoulos had supplied to the Democrats.

The "smoking gun" in the Greek connection eventually was provided by the late Henry Tasca in 1976 testimony to the House Intelligence Committee. Tasca previously had been U.S. ambassador to Greece, and his sworn testimony was kept secret at his insistence. He confirmed the funneling of money from the Greek junta to the Nixon campaign.

Footnote: Nixon, Kissinger and Pappas were either unavailable or refused to comment.